

Wilson Votes to Protect Main Street and Ease Crippling Credit Crunch

WASHINGTON – Today, Congressman Charlie Wilson (OH-6) voted to protect Main Street and supported the Senate version of the economic rescue legislation. The legislation passed the House with a vote of 263-171.

The improved bill includes an increase in federal coverage of bank deposits to \$250,000 as well as other Congressional top priorities including:

- Strong independent oversight, transparency, and accountability requiring Congressional review after the first \$350 billion is disbursed;
- Limits on excessive compensation for CEOs and executives of participating financial institutions;
- Requiring a plan that would ensure taxpayers are repaid in full—or even make a profit;
- A \$1000 tax break for 28 million American homeowners who don't itemize and desperately need property tax relief; and
- Requiring the government to steer mortgages in danger of foreclosure to loan workout programs to prevent the foreclosures that are driving down home values across America.

"First and foremost, we protected the taxpayers. We are facing an economic downturn as serious as any that has faced this nation," Wilson said. "An incredible 159,000 workers lost their jobs last month, small businesses aren't getting the short term loans they need to operate in a normal way and even in California, the state says it might have to stop paying its teachers soon if something isn't done. I know it's a lot of money, but the cost of inaction would have been much worse."

Following Monday's vote in the House, in which the first version of the legislation failed to pass, the stock market plunged steeply, costing the American economy more than \$1.2 trillion. Middle class Americans instantly saw their 401ks and pension plans – in some cases their only nest eggs – lose tremendous value.

"Banks aren't lending money, even to each other," Wilson said. "I spent Wednesday morning at a family owned business in Bridgeport that's been operating for 80 years. This florist has paid its bills on time and even paid its mortgage off early. It's had a good relationship with its bank. But it can't get the credit it needs to buy the big order necessary to prepare for the holidays. If a small and successfully run business like that can't get credit, it's a sign just how deep the credit crunch is reaching in our country."

States and institutions are also feeling the impact of the credit crisis. The Wall Street Journal reported "A fund that invests cash for about 1,000 colleges and private schools suddenly froze withdrawals this week, leaving school finance managers scrambling to make sure they have enough money for payroll and other bills."

The Los Angeles Times reported this morning that Gov. Schwarzenegger has warned Treasury Secretary Paulson that California may need to borrow billions in emergency funding from the federal government in the coming weeks in order to continue day-to-day functioning.

The Senate version of the bill, which the House passed today also includes clean renewable American energy tax incentives which are critical to creating and saving half a million green jobs and helping us achieve energy independence, tax cuts for 20 million families who could be hit by the Alternative Minimum Tax (AMT), extensions of expiring business and family tax cuts, disaster relief, mental health parity to end coverage discrimination, and other provisions.

“There has been a lot of talk about the \$150 billion of spending the Senate added to the bill,” Wilson said. “These are not earmarks headed to specific districts at the request of a specific Senator or Member of Congress. The bulk of the additional spending is AMT relief for the middle class and extending tax incentives that would have expired for alternative energy, including tax credits for the construction of clean coal facilities. I wish that the Senate version of the tax extenders had been paid for. When the House passed a similar package of tax extenders earlier this summer we paid for it. However, it was important to pass this bill today to protect the economy and protect Main Street.”

The legislation now heads to the White House for the President’s signature.